Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 18699 152152Z
ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 TRSE-00 XMB-02 AID-05
CEA-01 CIAE-00 COME-00 EB-08 FRB-03 INR-07 NEA-10
NSAE-00 USIA-06 OPIC-03 SP-02 LAB-04 SIL-01
AGRE-00 OMB-01 SS-15 STR-05 L-03 /112 W
----------062636 152156Z /64
P 151822Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC PRIORITY 3774
INFO ALL EC CAPITALS
USMISSION GENEVA
AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY BERN
AMEMBASSY HELSINKI
AMEMBASSY LISBON
AMEMBASSY MADRID
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY REYKJAVIK
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE BRUSSELS 18699

USEEC

GENEVA ALSO FOR USMTN
PARIS ALSO FOR USOECD
PASS TREASURY FOR RYSS, EXIMBANK FOR DUFF
E.O.11652:N/A
TAGS: ETRD, EFIN, EEC
SUBJECT: EXPORT CREDIT CONSENSUS: EC COMMISSION VIEWS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 18699 152152Z

REF: PARIS 36170

1. MISSION OFFICER DISCUSSED RESULTS OF DECEMBER 7-9 OECD MEETING OF EXPORT CREDIT CONSENSUS PARTICIPANTS (REFTEL) WITH FRIEDRICH KLEIN, EC COMMISSION DIRECTOR IN CHARGE OF EXPORT CREDIT AREA, AND EC REP AT MEETING.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

2. KLEIN NOTED SUBSTANTIAL PROGRESS IN MEETING ON MATTERS OF DEFINITION AND ON PROHIBITION OF OFFICIAL SUPPORT FOR LOCAL COSTS. HE EXPRESSED VIEW THAT NEW US PROPOSAL ON INTEREST RATES WAS MUCH MORE REASONABLE FROM EC VIEWPOINT. HE WOULD NOT EXCLUDE POSSIBILITY OF AGREEMENT TO IT, PARTICULARLY IF FRENCH COULD BE PERSUADED.

3. ON THE OTHER HAND, THE MATTER OF MIXED CREDITS REMAINED VERY DIFFICULT, OWING TO ADAMANT FRENCH POSITION. ALSO, U.S. PROPOSAL TO INCLUDE PROHIBITION OF INFLATION INSURANCE SCHEMES, WHICH WOULD BE A NEW ELEMENT IN CONSENSUS, CONTINUES TO BE MAJOR STUMBLING BLOCK TO EC AGREEMENT. (ALTHOUGH COMMISSION POSITION REMAINS THAT THESE SCHEMES SHOULD BE PHASED OUT OF EXISTENCE EE FELT THAT FOR TACTICAL REASONS IT MIGHT BE BETTER TO DEAL WITH MATTER IN GATT FORUM.)

4. WE ASKED ABOUT PROBLEM OF EC NEGOTIATING MANDATE FOR JANUARY MEETING. KLEIN CONFIRMED STATEMENT REPORTED REFTEL (PARA 8) THAT EC WOULD NOT HAVE AT JANUARY MEETING NEW COUNCIL MANDATE GOING BEYOND PRESENT EC POSITION. HOWEVER, KLEIN SAID IT WOULD NOT BE IMPOSSIBLE FOR EC TO AGREE TO SOME MODIFICATIONS FROM THIS POSITION WITHOUT NEW COUNCIL MANDATE, PROVIDED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 18699 152152Z

THAT THERE WAS COMPLETE UNANIMITY AT EXPERTS LEVEL. IN THIS CASE COREPER COULD AUTHORIZE AGREEMENT.

5. KLEIN NOTED THAT FRENCH WERE MAJOR OBSTACLE TO AGREEMENT ON NEW US INTEREST RATE PROPOSAL AND, OF COURSE, ON MIXED CREDIT MATTER. HE URGED CAUTION IN ANY BILATERAL APPROACH TO FRENCH, FOR FEAR THAT UNDUE PRESSURE MIGHT BOOMERANG, BUT OFFERED NO BASIC OBJECTION TO SUCH APPROACH.

6. KLEIN NOTED EC COMMISSION HAS FORWARDED PROPOSAL TO COUNCIL TO EXTEND ADHERENCE TO PRESENT CONSENSUS PENDING AGREEMENT ON REVISED CONSENSUS.

7. COMMENT: MISSION SECONDS KLEIN'S CAUTIONARY NOTE ON BILATERAL APPROACHES. WHILE BRINGING FRENCH ALONG TO AGREEMENT ON REMAINING MATTERS OF COURSE HIGHLY DESIRABLE, IT WOULD BE UNFORTUNATE TO ENDANGER PROGRESS ALREADY MADE. WASHINGTON OFFICIALS AND EMBASSY PARIS CAN BEST JUDGE, ON BASIS OF PAST CONTACTS WITH FRENCH ON THIS MATTER, HOW STRONG PRESSURE SHOULD BE TO BE MOST PRODUCTIVE. HINTON

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, CREDIT
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE18699
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770467-0986
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771254/aaaabtfj.tel
Line Count: 116
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 47446d03-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 PARIS 36170
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 230060
Secure: OPEN
Status: NATIVE
Subject: EXPORT CREDIT CONSENSUS: EC COMMISSION VIEWS LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: ETRD, EFIN, EEC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/47446d03-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009